

**REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE OF THE
BOARD OF DIRECTORS OF THE
COOK COUNTY HEALTH AND HOSPITALS SYSTEM**

FEBRUARY 17, 2009

ATTENDANCE

Present: Chairman Luis Muñoz, MD, MPH and Director Heather E. O'Donnell, JD, LLM (2)

Absent: Director Benn Greenspan, PhD, MPH, FACHE (1)

Also Present: Michelle Agrest – Deloitte & Touche; Pitt Calkin – Interim Chief Financial Officer, Cook County Health and Hospitals System; Karen Dimond - Office of the State's Attorney; Tim Heinrich, CPA – Director, McGladrey & Pullen; Paula Matela – Office of the Secretary to the Board; David R. Small – Interim Chief Executive Officer, Cook County Bureau of Health Services

Ladies and Gentlemen:

Your Audit and Compliance Committee of the Board of Directors of the Cook County Health and Hospitals System met pursuant to notice on Tuesday, February 17, 2009 at the hour of 9:00 A.M. at Stroger Hospital, 1901 W. Harrison Street, in the fifth floor conference room, in Chicago, Illinois.

Your Committee has considered the following items, and upon adoption of this report, the recommendations follow.

Roll Call

Paula Matela, of the Office of the Secretary to the Board, called the roll of members and it was determined that a quorum was present.

Public Comments

Chairman Muñoz asked the Secretary to call upon the registered public speakers.

The Secretary informed the Chair that there were none.

**Acceptance of the Report of the Audit and Compliance Committee
for the meeting of January 20, 2009.**

Director O'Donnell, seconded by Chairman Muñoz, moved to accept the report of the Audit and Compliance Committee for the meeting of January 20, 2009. THE MOTION CARRIED UNANIMOUSLY.

Performance Audit Update

Tim Heinrich, CPA, of McGladrey & Pullen, provided the Committee with an update on performance audit activities. He stated that they expect to be able to meet the March 6th deadline to give their report outlining the objectives, scope and findings to date.

Director O'Donnell requested a copy of the finalized contract for the performance audit of the MedAssets contract. Mr. Small responded affirmatively, stating that as soon as it has been reviewed by the State's Attorney's Office, he would ensure that copies would be received by the Committee Members.

Consider and approve recommendation to the Board of Directors
to enter into and execute contract with RSM McGladrey Inc.
for internal audit function services

Chairman Muñoz stated that the intention with this item is to recommend that the Board enter into and execute this contract for internal audit function services. Once the contract is finalized, it will be presented to the Finance Committee, who then presents it to the Board. The contract is still being drafted, so this action will move the contract forward.

Director O'Donnell, seconded by Chairman Muñoz, moved to approve the recommendation to the Board of Directors to enter into and execute a contract with RSM McGladrey Inc. for internal audit function services. THE MOTION CARRIED UNANIMOUSLY.

Corporate Compliance

- Status of the selection of a Corporate Compliance Officer

Mr. Small provided an update on the status of the selection of a Corporate Compliance Officer. He stated that there are three finalists; interviews are being set up for the following week.

Chairman Muñoz requested that the Committee Members be provided with copies of the resumes of the three candidates. Mr. Small responded affirmatively¹.

New Business

Update from Deloitte & Touche
regarding external audit function activities

Michelle Agrest, of Deloitte & Touche, provided the Committee with an update on the external audit function activities to date.

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Chairman Muñoz inquired as to timelines relating to when the external audit would be available.

Ms. Agrest responded that the timeframes have not yet been finalized; she added that much of the information necessary to complete the external audit comes from the County, and impacts the timeframe.

Pitt Calkin, Interim Chief Financial Officer of the Cook County Health and Hospitals System, stated that he will work with the County Comptroller's office to try to get the information sooner.

Director O'Donnell asked Mr. Calkin whether some of the issues that had been pointed out in the last management letter have been addressed.

Mr. Calkin replied affirmatively; he stated that he will report on that subject at the next Committee meeting.

Adjournment

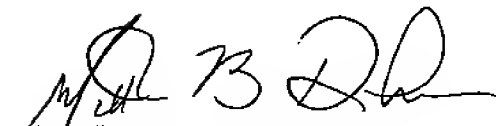
Director O'Donnell, seconded by Chairman Muñoz, moved to adjourn. **THE MOTION CARRIED UNANIMOUSLY AND THE MEETING WAS ADJOURNED.**

Respectfully submitted,
Audit and Compliance Committee of the
Board of Directors of the
Cook County Health
and Hospitals System



Dr. Luis Muñoz, Chairman

Attest:



Matthew B. DeLeon, Secretary

The following was requested or was indicated as a follow-up item at this meeting:

¹ Follow up: Request that the Committee Members be provided with copies of the resumes of the three candidates being considered for the position of Corporate Compliance Officer. On page 2.